

CITY OF CARPINTERIA

SALES TAX UPDATE

1Q 2022 (JANUARY - MARCH)



CARPINTERIA

TOTAL: \$ 492,912

22.4%

1Q2022



18.5%

COUNTY



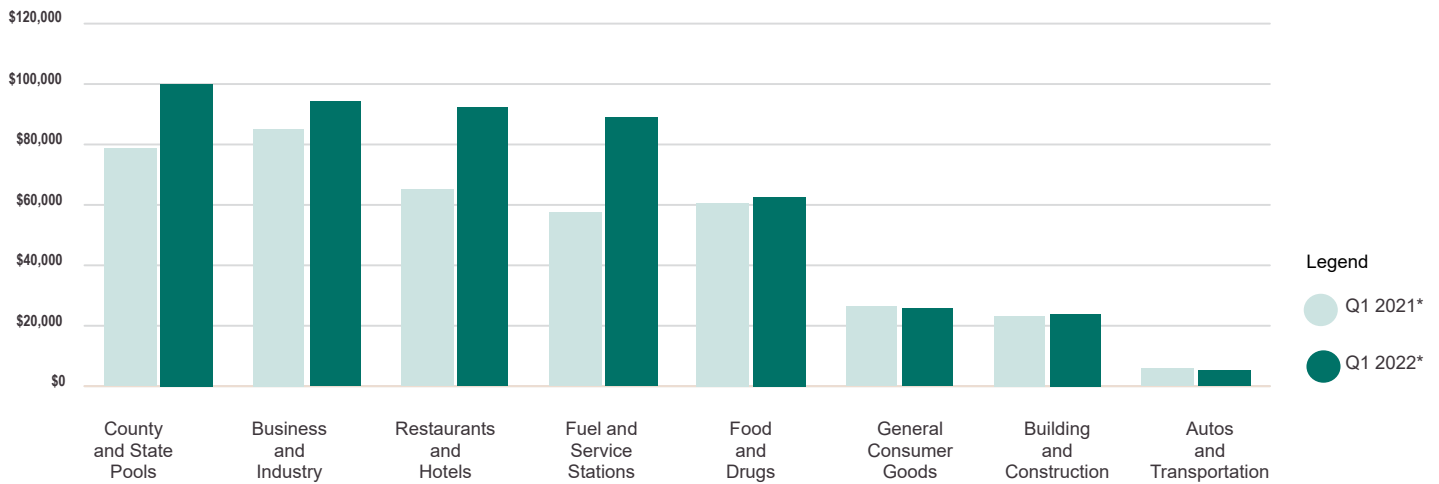
17.1%

STATE



**Allocation aberrations have been adjusted to reflect sales activity*

SALES TAX BY MAJOR BUSINESS GROUP



Measure X

TOTAL: \$865,854

↑ 11.8%



CITY OF CARPINTERIA HIGHLIGHTS

Carpinteria's receipts from January through March were 35.7% above the first sales period in 2021, though this was inflated by several payments made in arrears for prior quarter sales activity. Excluding this and other reporting aberrations, actual sales were up 22.4%.

The largest factor in this improvement was a 54% surge in receipts from service stations after the February Russian invasion of Ukraine resulted in higher prices at the pump for gasoline. Results outperformed the 43% statewide trend for this major industry group as local construction projects in the area temporarily disrupted returns in the comparison year.

Casual dining restaurants rebounded 51% compared to last year's pandemic impaired results. Allocations from the countywide use-tax pool were also strong.

Measure X, the City's voter-approved district tax, gained 11.8%, less than the Bradley-Burns tax revenue previously discussed. This was due largely to a slowdown in vehicle and internet purchases by City residents.

Net of aberrations, taxable sales for all of Santa Barbara County grew 18.5% over the comparable time period; the Central Coast region was up 15.1%.



TOP 25 PRODUCERS

- | | |
|-----------------------------|--------------------------|
| 7 Eleven | McDonalds |
| Agilent Technologies | Nusil Technology |
| Albertsons | Omni Catering |
| American Supreme Gas | Rincon Brewery |
| Arco AM PM | Risdons Union 76 |
| Carpinteria Valley Lumber | Rockwell Printing |
| Central Coast Audio Visual | Rustys Pizza Parlor |
| Chevron | S&S Seeds |
| CI Surfboards | Shop Coolie |
| CVS Pharmacy | Siteone Landscape Supply |
| Delgados Mexican Restaurant | Smart & Final |
| Eye of the Day | |
| Ipower Resale Group | |
| Little Doms Seafood | |



STATEWIDE RESULTS

California’s local one-cent sales and use tax for sales occurring January through March was 17% higher than the same quarter one year ago, after adjusting for accounting anomalies and onetime payments from previous quarters. By all accounts, the California retail economy continues roaring along. Even with instability in the stock market, the crisis in Ukraine pushing up the global price of crude oil and the U.S. Federal Reserve Board beginning to tackle inflation with a series of rate increases, consumer spending continued at a strong pace.

The invasion of Ukraine by Russian military forces on February 24 had an immediate upward impact on the global price of crude oil due to fears of supply shortages. Subsequently this has caused a dramatic jump to California consumer gas and diesel prices at a time when many in the workforce were commuting back into offices, also contributing to an overall increase in consumption. As expected, fuel and service station receipts increased 47% over last year and show no signs of pulling back with summer travel right around the corner.

Sales of new and used vehicles continue to be robust causing the autos and transportation sector to jump 15% for the period. Inventory shortages by some dealers may have caused buyers to experience a Fear Of Missing Out (FOMO) and pay elevated prices while interest rates remained lower. Automotive brands that have committed to full electric or hybrid models are attractive with consumers, especially given the sudden rise in fuel prices.

Post-holiday retail sales of general consumer goods remained solid, improving 10%. Prior supply chain concerns have dissipated, port operations are returning

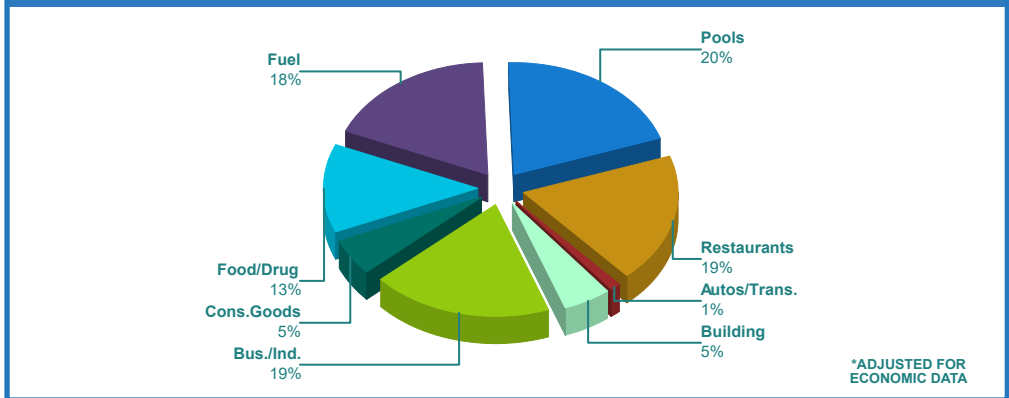
to normal and headwinds from inflation and higher cost goods haven’t yet slowed consumer demand. The stellar returns were largely driven by discount department stores, especially those selling gas.

These results mark the fourth full quarter in a row that restaurant and hotel receipts have increased. While higher menu prices have contributed, steady demand by patrons to dine out is also propelling the gains. Furthermore, theme parks and entertainment venues throughout the state are busy. With the summer tourism and travel season approaching, the industry is positioned to maintain post-pandemic growth and remain positive through 2022.

Use taxes generated by online sales and purchases from out-of-state vendors allocated via the county pools, heartily surpassed expectations, gaining 13% over the comparison period. Shoppers bought a range of merchandise and spending by businesses on capital equipment remained sensational.

The first quarter sales period contributed to an already strong 2021-22 fiscal year for most municipalities statewide. However, continued inflationary pressure, soaring interest rates and record gas prices may soften growth going into 2022-23.

REVENUE BY BUSINESS GROUP
Carpinteria This Quarter*



TOP NON-CONFIDENTIAL BUSINESS TYPES

Carpinteria Business Type	Q1 '22	Change	County Change	HdL State Change
Service Stations	88,633	54.1% ↑	51.2% ↑	43.4% ↑
Casual Dining	67,833	51.3% ↑	58.6% ↑	55.7% ↑
Garden/Agricultural Supplies	35,028	2.1% ↑	3.9% ↑	2.6% ↑
Convenience Stores/Liquor	19,010	-1.0% ↓	4.6% ↑	1.7% ↑
Quick-Service Restaurants	18,626	7.3% ↑	13.4% ↑	7.8% ↑
Drugs/Chemicals	8,210	37.1% ↑	-14.3% ↓	9.8% ↑
Contractors	7,907	4.9% ↑	17.4% ↑	20.5% ↑
Specialty Stores	5,397	-5.0% ↓	11.4% ↑	10.7% ↑
Electronics/Appliance Stores	2,655	-46.7% ↓	21.9% ↑	12.5% ↑
Art/Gift/Novelty Stores	2,652	-29.1% ↓	-10.7% ↓	14.7% ↑

*Allocation aberrations have been adjusted to reflect sales activity